

Testing Tariff Rates for 2024

Calendar Year

01st January - 31st December 2024

29th September 2023



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Revision History						
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ABBREVIATIONS

CPI	Consumer Price Index
HICP	Harmonised Index of Consumer Price
OSC	Other System Charges
RA	Regulatory Authority
SEM	Single Electricity Market
TSO	Transmission System Operator
UUT	Unit Under Test

1. Executive Summary

EirGrid and SONI (the TSOs) published a consultation paper¹ on 21st July 2023 concerning the Testing Tariff for the upcoming calendar year, 1st January 2024 to 31st December 2024. The consultation period closed on 11th August 2023 with comments on the consultation paper received from two (2) respondents.

Having reviewed the responses, the TSOs published a recommendation paper² on 24th August proposing a number of recommendations to the Regulatory Authorities (the RAs) for their consideration and approval.

The Single Electricity Market (SEM) Committee published their decision paper SEM-23-076³ on 27th September 2023.

Arrangements for Calendar year 2024:

- Retain the rates for High Impact Testing from 2023, adjusted for Inflation,
- Keep at zero for Low Impact Testing, which was introduced as part of the revised SEM arrangements in 2018.

High Impact testing (Significant Test, previously referred to as Tariff A) Operational Test with a total duration equal to or greater than 6 hours, or where the Active Energy produced during the total duration of the test is equal to or greater than:

- (i) 3 times the Active Energy which would be produced by the Test Proposer's Plant during 1 hour of operation at the Plant's Registered Capacity; or
- (ii) 500 MWh. The impact of the Unit under Test (UUT) is an increase in the costs associated with maintaining system security.

Low impact testing (Minor Test, previously referred to as Tariff B) Operational Test with a total duration of less than:

- (i) 3 times the Active Energy which would be produced by the Test Proposer's Plant during 1 hour of operation at the Plant's Registered Capacity; or
- (ii) 500 MWh. The impact of the UUT is an increase in the costs associated with maintaining system security.

2. Introduction

In accordance with section F.13 of the Trading and Settlement Code⁴, the TSOs reported on Testing Tariff to the Regulatory Authorities (RAs) and proceeded with the consultation\recommendation process. There has been ongoing engagement between TSOs and the RAs.

The TSOs are outlining below, the approved rates and arrangement from RAs for Testing Tariff rates applicable for Calendar Year 2024⁵.

¹ <https://www.eirgridgroup.com/site-files/library/EirGrid/Proposed-Testing-Tariff-Rates-2023-V1.0.pdf> and <https://www.soni.ltd.uk/media/documents/Proposed-Testing-Tariff-Rates-2024-V1.0.pdf>

² <https://www.soni.ltd.uk/media/documents/Testing-Tariff-Recommendation-Paper-for-Calendar-Year-2024.pdf> and <https://www.eirgridgroup.com/site-files/library/EirGrid/Testing-Tariff-Recommendation-Paper-for-Calendar-Year-2024.pdf>

³ <https://www.semcommittee.com/sites/semc/files/media-files/SEM-23-076%20SEM%20Generator%20Testing%20Tariffs%202024%20Decision%20Paper.pdf>

⁴ <https://www.sem-o.com/rules-and-modifications/balancing-market-modifications/market-rules/>

⁵ <https://www.semcommittee.com/news-centre/i-sem-portion-2018-testing-tariffs-decision-paper>

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3. Approved Rates for 2024

3.1. Inflation Rates

In determining the blended forecast rate of 3.46%⁶, the TSOs' used:

- 75% from Central Bank HICP forecast using the latest available quarterly report adjusted for the relevant tariff timeframe; plus,
- 25% from Office of Budgetary Responsibility CPI forecast using the latest available quarterly report adjusted for the relevant tariff timeframe.

3.2. Low Impact Testing Rates

Low Impact Testing remains at zero.

3.3. High Impact Testing Rates

For high impact testing there are costs, such as unit commitment and reserve costs, which are not paid for by the UUT being balance responsible in the market. SEM arrangements and OSC will recover any unreliability of the UUT, as well as any imperfections costs being passed through to suppliers, arising as a consequence of UUT behaving unreliably.

As outlined in Table 1 below, for 2024 the approved rates are using the High Impact Testing rates from 2023 adjusted for inflation.

	MW	High Impact Testing			
		Reserve System Services Cost €/MWh	Reserve Imperfection Cost €/MWh	Unit Commitment €/MWh	Total Charge €/MWh
GEN <50	50	€ -	€ -	€0.79	€0.79
50 < GEN ≤100	100	€ -	€ -	€3.04	€3.04
100 < GEN ≤ 150	150	€ -	€ -	€3.96	€3.96
150 < GEN ≤ 200	200	€ -	€ -	€4.43	€4.43
200 < GEN ≤ 250	250	€ -	€ -	€4.53	€4.53
250 < GEN ≤ 300	300	€ -	€ -	€4.61	€4.61
300 < GEN ≤ 350	350	€ -	€ -	€4.73	€4.73
350 < GEN ≤ 400	400	€0.06	€0.05	€4.24	€4.35
400 < GEN ≤ 450	450	€0.27	€0.42	€3.05	€3.75
450 < GEN	500	€0.53	€1.22	€2.52	€4.26

Table 1: Testing Tariff Cost Components for Calendar Year 2024

⁶ Inflation is calculated as a blended NI (25%) CPI and IE (75%) HICP rate from the following sources:
NI - Economic and fiscal outlook - March 2023 (obr.uk)
IE - Quarterly Bulletin Q2 2023 (centralbank.ie)